

OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION

ORIGINAL

April 10, 2003

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

02-0428
Report

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ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

RE: Ameren Corporation - ICC Docket No. 02-0428

Dear Ms. Rolando:



Appendix A, paragraph D of the Order in Docket No. 02-0428 dated December 4, 2002, states that Ameren will, "...offer for sale at wholesale to non-affiliated entities, for delivery within or into the CILCO control area and for ultimate delivery to retail customers connected to CILCO's distribution system, at least 100 MW of power and energy prices using the Market Value Index ("MVI") methodology most recently approved by the ICC for AmerenCIPS ("AmerenCIPS MVI")."

Pursuant to the Order, the Company is filing the attached document which provides the terms and prices associated with the sale of 100 MW of power and energy, at wholesale, to non-affiliated entities for delivery into the CILCO control area.

This document will be posted on Ameren's web site at:
http://www.ameren.com/AboutUS/adc_au_CILCO100mws.pdf

Also attached is an additional copy of this letter which we ask that you return to us stamped with the date of filing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jon R. Carls".

Jon R. Carls, Director
Regulatory Services Department

JRC/cic
Attachment

cc: John Hendrikson - ICC
Bruce Larson - ICC
Richard Zuraski - ICC

net'd
4/10



400 South Fourth Street
St. Louis, MO 63102 - 1826
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**Proposed Commercial Terms for the Transaction of 100 MWs of Power and Energy
In Accordance With
Paragraphs C & D of Appendix A to ICC Order in Docket No. 02-0428
Between
Ameren and Buyer(s)**

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Date Effective as of Ameren's acquisition of CILCORP (January 31, 2003)

Seller Any Ameren affiliate possessing market rate authority from the Federal Energy Regulatory Commission (FERC)

Term HE 0100 (CPT) on start date for a minimum of 12 consecutive months, terminating 60 days prior to Ameren meeting CILCO Mitigation Projects by Phase 1 Completion Date.

Termination Contingent on Ameren meeting CILCO Mitigation Projects by Phase 1 Completion Date as defined in ICC Order 02-0428, Appendix A.

Product System Firm Power and Energy; Transmission Contingent - Delivery Point; energy to be supplied from the system and power assets of the Seller or other unspecified resources controlled by the Seller.

"System Firm" means, with respect to this proposed Transaction, that the Product will be supplied from the owned or controlled generation or purchased power assets of the Ameren system (the "System"). Seller's failure to deliver shall be excused: (i) by an event or circumstance which prevents Seller from performing its obligations, which event or circumstance was not anticipated as of the date the Transaction was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Seller; (ii) by Buyer's failure to perform; (iii) to the extent necessary to preserve the integrity of, or prevent or limit any instability on, the System; (iv) to the extent the System or the control area or reliability council within which the System operates declares an emergency condition, as determined in the system's, or the control area's, or reliability council's reasonable judgment; or (v) by the interruption or curtailment of transmission to the Delivery Point. Buyer's failure to receive shall be excused (i) by Force Majeure; or (ii) by Seller's failure to perform.

For purposes of defining Ameren's native and retail load service and contractual obligations hereunder, "Ameren" shall mean Seller and its affiliates, Central Illinois Light Company, doing business as AmerenCILCO, Union Electric Company, d/b/a AmerenUE, Central Illinois Public Service Company, d/b/a AmerenCIPS and Ameren Energy Generating Company (AEG), and shall further include the supply and dispatch obligations of AmerenUE and AEG under the Joint Dispatch Agreement amended effective May 1, 2000. Native load shall consist of the obligations to supply retail customers under state retail choice statutes and pursuant to applicable statutory and regulatory requirements and historical



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wholesale customers that are dependent on Ameren's transmission and/or distribution systems. "Firm Transmission Contingent - Delivery Point" means, with respect to a Transaction, that the performance of either Seller or Buyer (as specified in the Transaction) shall be excused, and no damages shall be payable, if the transmission to the Delivery Point (in the case of Seller) or from the Delivery Point (in the case of Buyer) for such Transaction is interrupted or curtailed and (i) such Party has provided for firm transmission with the transmission provider(s) for the Product, in the case of the Seller, to be delivered to the Delivery Point or, in the case of Buyer, to be received at the Delivery Point and (ii) such interruption or curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the applicable transmission provider's tariff.

All System Firm Power and Energy is for delivery to retail customers in the CILCO service area, as defined in ICC Order 02-0428. Such power and energy purchased under this agreement shall not be used to supply other customers or delivery point(s). The Buyer may purchase on-peak and/or off-peak System Firm Power and Energy.

On-Peak:

On-Peak is defined as (5X16), Monday through Friday, 6:00 a.m. (CPT) to 10:00 p.m. (CPT), excluding NERC holidays.

Off-Peak:

Off-Peak is defined as all other hours.

Buyer shall designate each Product and Product Quantity at the time of acceptance. Seller shall be obligated to sell and deliver and Buyer shall be obligated to purchase and receive System Firm Energy equal to the selected quantity for all hours designated by each Product on each Delivery Day designated by each Product.

Price

Price for each MWh delivered during Term shall be determined using currently effective basis for establishing the market values for the on-peak and off-peak periods in the AmerenCIPS Rider MVI tariff at the time of contract execution and shall remain in place through the end of the following May. Prices will be revised effective the following June 1 using the AmerenCIPS MVI filed the prior February.

Prices as of April 2003:

Summer On-Peak:	\$65.44 per megawatt (MW) per Hour
Summer Off-Peak:	\$36.71 per megawatt (MW) per Hour
Non-Summer On-Peak:	\$44.92 per megawatt (MW) per hour
Non-Summer Off-Peak:	\$23.00 per megawatt (MW) per hour

Summer shall be defined as the months of June, July, and August.



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Non-Summer shall be defined as all other months. Detailed support of the calculation of the above prices is available upon request.

Quantity

Minimum purchase quantity for each product is 1 MW. Additional quantities for each Product must be purchased in 1 MW increments. The quantity shall be capped at a maximum of 100 MWs of power and energy purchased in the aggregate by all buyers.

Delivery Point(s)

Primary Delivery Point: The Product Quantity will be delivered to the CILCO bulk transmission system.

Alternate Delivery Point: Seller may schedule for delivery and deliver System Firm Energy to an Alternative Delivery Point (ADP) that shall be an interconnection between the transmission system of CILCO and the transmission system of a third-party transmission provider of Seller's choice. Seller shall provide notice to Buyer of its election of an Alternate Delivery Point no later than two (2) hours prior to the commencement of service.

Transmission

Transmission from the Delivery point and applicable losses are Buyer's responsibility. Seller is responsible for transmission to the Delivery point or ADP and applicable losses to such Delivery point. The Parties recognize that transmission is made pursuant to tariffs that are subject to regulatory and legislative oversight. In the event that transmission rates are modified by an RTO, or otherwise, the Parties hereby agree as follows: no later than sixty (60) days prior to the earliest effective date of any tariff that shall affect the transmission of energy purchased hereunder, the Parties shall renegotiate this Transaction's assignment of transmission performance obligations and associated risk between the Parties. Further, should such RTO and regulatory changes render the economics of this Transaction commercially impracticable for either Party, such Party may request renegotiation of the price or terminate this Transaction with sixty (60) days prior written notice at any time during the term of this Transaction after such RTOs have become effective.

Other Conditions:

1. Buyer shall be a Retail Energy Supplier ("RES"), or an Alternative Retail Electric Supplier ("ARES") certified by the Illinois Commerce Commission as of the date this transaction is agreed to and shall be registered to transact business within the CILCO service territory.
2. Conditions specified in ICC Order 02-0428 apply.

Confidentiality

All terms and conditions described in this offer are confidential between Seller and Buyer, their respective affiliates, representatives and duly appointed agents, except as required by applicable regulatory disclosures. The terms and conditions shall not be disclosed to third parties without the written consent of both Buyer and Seller.

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Acceptance

This offer is intended to serve as a basic statement of the current intentions of the parties in connection with the arrangements contemplated within. Prices indicated are subject to current MVI prices and subject to change as the MVI changes. This offer is not to be construed as a complete integration of any agreement and does not constitute a binding agreement by either party. This offer simply expresses a good faith intention to proceed with discussions and investigation of possible business arrangements between both parties. Execution of this Transaction is subject to the negotiation, preparation, and execution of a definitive agreement.

Agreement in Principle

I, the undersigned, accept and agree to the general terms and conditions outlined in this proposal, subject to the Parties' execution of a final Power Sale Agreement (PSA) containing definitive terms and conditions, and hereby direct Ameren to prepare a PSA for final review.

Buyer:

By:

(Print Name)

(Title)

(Date)

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